

Before the
Federal Communications Commission
Washington DC 20554

In the Matter of)	
)	
Application by Verizon Pennsylvania Inc.,)	
Verizon Long Distance, Verizon Enterprise)	CC Docket No. 01-138
Solutions, Verizon Global Networks, Inc.,)	
And Verizon Select Services, Inc.)	
For Authorization to Provide In-Region,)	
InterLATA Services in Pennsylvania.)	

REPLY COMMENTS OF
TELECOMMUNICATIONS RESEARCH AND ACTION CENTER

August 6, 2001

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I. INTRODUCTION

The **Telecommunications Research and Action Center (TRAC)** has been reporting on changes in the long-distance market ever since competition first emerged. Because New York was the first state where the local phone company was given permission to sell long distance service, TRAC was particularly interested in the effect Verizon's entry would have on the choices that consumers would have for long-distance and local telephone services. Accordingly, in 1999 TRAC began to publish rate comparisons for long distance and local service in that state. TRAC anticipates that consumers can expect similar savings in other states where Section 271 authority is granted.

II. STATEMENT OF INTEREST

TRAC is a non-profit organization based in Washington, DC. Its primary goal is to promote the interests of residential telecommunications customers. TRAC produces a publications series called *TeleTips* that researches the prices and services of residential and small business long distance plans. TRAC also produces *TeleTips* publications that compare the prices and services offered by directory assistance and dial around (or "10-10") numbers.

TeleTips publications allow residential and small business customers to be more informed about the prices they are paying for telecommunications services. *TeleTips* also allows customers to compare their current carrier with other carriers to determine if they can save money by switching to another carrier or by using alternative services. TRAC also operates an informative website (www.trac.org).

III. COMMENTS

TRAC has since its inception reported on the changes in the long-distance market. On September 6, 2000 TRAC released a report entitled "A Study of Telephone Competition in New York." The report analyzed whether consumers were actually switching to other carriers and plans and saving money. TRAC found that robust competition in both the local and long distance telephone markets exists in New York.

TRAC's recent New York study updates the September 2000 report and estimates consumers are now saving up to \$700 million a year.¹ TRAC updated its previous study of consumer's savings and found that, according to publicly available information, about 3 million consumers now subscribe to carriers other than Verizon for local service. Similarly, about 1.7 million have switched to Verizon for long distance service. . Overall, competition in the two markets will bring between \$84 to \$324 of savings a year for each New York phone customer.

TRAC notes that Consumers Union calculated similar savings benefits for New York local and long distance consumers. Gene Kimmelman, Co-Director of Consumers Union estimated that competition in New York has translated into local and long distance price reductions ranging from 5 to 20 percent.² Kimmelman asserts that low volume consumers in particular can expect significant long distance savings – up to 50% -- in competitive long distance markets. Similarly, Dr. Mark Cooper, Research Director for the Consumer

¹ TRAC Press Release (May 28, 2001).

² Testimony of Gene Kimmelman, Co-Director, Washington Office, Consumers Union, Before the Senate Committee on Commerce, Science, and Transportation, *On Local Phone Competition* (June 19, 2001).

Federation of America, estimates that if other states had New York style competition consumers could save as much as about **\$7 billion** on their local and long distance calls.³

IV. CONCLUSION

TRAC believes that the results of its New York studies demonstrate the very tangible consumer benefits of new competition in the local and long distance markets. Consumers of local and long distance services where Section 271 petitions are granted can expect similar benefits. Accordingly, TRAC urges the Commission to expedite the Section 271 process in Pennsylvania and elsewhere to provide the nation's local and long distance consumers tremendous savings.

Respectfully Submitted,



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³ The Status of Residential Local Telephone Competition, Dr. Mark Cooper, Research Director, Consumer Foundation of America (June 2001).